

AVOYELLES PARISH PORT COMMISSION

FINANCIAL STATEMENTS

JUNE 30, 2012

DUCOTE & COMPANY
Certified Public Accountants
219 North Washington Street
P. O. Box 309
Marksville, LA 71351

AVOYELLES PARISH PORT COMMISSION
SIMMESPORT, LOUISIANA
June 30, 2012

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Avoyelles Parish Port Commission

P. O. Box 127

Simmesport, Louisiana 71369

LOUISIANA ATTESTATION QUESTIONNAIRE

October 19, 2012

Ducote & Company
Certified Public Accountants
P. O. Box 309
Marksville, Louisiana 71351

In connection with your compilation of our financial statements as of June 30, 2012 and for the eighteen months then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Government Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of August 31, 2012.

PUBLIC BID LAW

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes ☒ No ☐

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐

BUDGETING

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

Yes ☒ No ☐

ACCOUNTING AND REPORTING

All non-exempt government records are available as a public record and have been retained for at least three years, as requires by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92 as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA- RS 24:513.

Yes ☒ No ☐

MEETINGS

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes ☒ No ☐

DEBT

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes ☒ No ☐


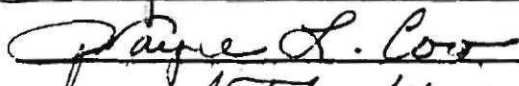

ADVANCES AND BONUSES

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

	Secretary
	Treasurer
	President

October 19, 2012

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Mr. Samuel T Maddie
Chairman
Avoyelles Parish Port Commission
Simmesport, LA 71369

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Avoyelles Parish Port Commission and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Avoyelles Parish Port Commission's compliance with certain laws and regulations during the eighteen months ended June 30, 2012 included in the accompanying *Louisiana Attestation Questionnaire*.

Management of the Avoyelles Parish Port Commission is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures describe below either for the purpose for which this report has been requested or for any other purpose.

PUBLIC BID LAW

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures were made during the eighteen months ended June 30, 2012 for materials and supplies exceeding \$20,000 and no expenditures were made for public works exceeding \$100,000.

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

2. Obtain from management a list of the immediate family members of each Fund member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all Fund members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

The Avoyelles Parish Port Commission did not have any employees during the eighteen months ended June 30, 2012

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

Not applicable

BUDGETING

5. Obtained a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. There were no amendments to the budget during the year.

6. Trace the budget adoption and amendments (if any) to the minutes.

The budget was adopted in the minutes of the Commission meetings. No amendments were made to the budget during the eighteen month period ended June 30, 2012.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more, or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to the actual revenues and expenditures. Actual revenues and expenditures did not exceed the budgeted amounts by more than 5%.

ACCOUNTING AND REPORTING

8. Randomly select 9 disbursements made during the period under examination and:
(a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the nine selected disbursements and found that payment was for the proper amount and made to the correct payee;

(b) determine if payments were properly coded to the correct fund and general ledger account; and

All nine of the payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

All nine of the payments were properly approved and signed.

MEETINGS

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Avoyelles Parish Port Commission is only required to post a notice of each meeting and the accompanying agenda on the door of the Commission's office. Management has asserted that such documents were properly posted; however we were only able to support this assertion with unmarked copies of the notices and agendas. The Commission complied with the open meetings law as required.

DEBT

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

ADVANCES AND BONUSES

11. Examine payroll records for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

The Avoyelles Parish Port Commission did not have any employees during the eighteen months ended June 30, 2012.

PRIOR COMMENTS AND RECOMMENDATIONS

No prior year reports have been issued as of June 30, 2012.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Avoyelles Parish Port Commission and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Ducote & Company

Certified Public Accountants
Marksville, Louisiana
October 19, 2012

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Commissioners
Avoyelles Parish Port Commission
Simmesport, LA

We have reviewed the accompanying financial statements of the governmental activities of the Avoyelles Parish Port Commission, a component unit of the Avoyelles Parish Police Jury, as of and for the eighteen months ended June 30, 2012. A review includes primarily applying analytical procedures to the management's financial data and making inquiries of the management of the Avoyelles Parish Port Commission. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do express such an opinion.

The management of the Avoyelles Parish Port Commission is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis, supplementary information required by the Governmental Accounting Standards Board, is not a required part of the basic financial statements. The Avoyelles Parish Port Commission has not presented this information as part of the financial report for the eighteen months ended June 30, 2012.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated August 31, 2012, on the results of our agreed-upon procedures.

Ducote & Company

Certified Public Accountants
Marksville, Louisiana
October 19, 2012

BASIC FINANCIAL STATEMENTS

GOVERNMENT WIDE FINANCIAL STATEMENTS

AVOYELLES PARISH PORT COMMISSION
Simmesport, Louisiana

STATEMENT OF NET POSITION
June 30, 2012

	GOVERNMENTAL ACTIVITY
ASSETS	
Cash	\$127,308
Property and equipment (net of accumulated depreciation)	<u>22,447,236</u>
Total Assets	<u>22,574,544</u>
LIABILITIES	
Contracts payable	\$52,000
Bonds payable	<u>240,000</u>
Total Liabilities	<u>292,000</u>
NET POSITION	
Restricted for port purposes	<u>22,282,544</u>
Total Net Position	<u><u>\$22,282,544</u></u>

The notes to financial statements are an integral part of this statement.

AVOYELLES PARISH PORT COMMISSION
Simmesport, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
To the Statement of Net Position
June 30, 2012

Total fund balance for the governmental fund at June 30, 2012	\$127,308
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Total net assets reported for the governmental activities in the statement of net assets is different because:

Capital assets used in the governmental activities are not financial resources, and therefore are not reported in the funds. These assets consist of:

Cost of capital assets as of June 30, 2012	\$23,262,183	
Less: accumulated depreciation as of June 30, 2012	<u>(814,947)</u>	22,447,236

Long term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Long-term liabilities at June 30, 2012:

Bonds payable	(240,000)	
Contracts payable	<u>(52,000)</u>	<u>(292,000)</u>

Net position at June 30, 2012	<u><u>\$22,282,544</u></u>
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The notes to financial statements are an integral part of this statement.

AVOYELLES PARISH PORT COMMISSION
Simmesport, Louisiana

STATEMENT OF ACTIVITIES
For the Eighteen Months Ended June 30, 2012

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Operating Grants</u>	<u>Net (Expenses) Revenues</u>
<i><u>Governmental Activities</u></i>			
General Government			
Insurance	\$13,416	\$4,259	(\$9,157)
Professional fees	32,414	10,291	(22,123)
Operating services	76,893	24,412	(52,481)
Interest on long term debt	21,250	6,746	(14,504)
Depreciation	696,626	221,166	(475,460)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$840,599</u>	<u>\$266,875</u>	<u>(573,724)</u>
General Revenues:			
Interest earnings			212
Miscellaneous revenues			894
Donation of capital assets			<u>19,206,601</u>
Total general revenues			<u>19,207,707</u>
Changes in net position			18,633,984
Net position - beginning of year			<u>3,648,560</u>
Net position - end of year			<u><u>\$22,282,544</u></u>

The notes to financial statements are an integral part of this statement.

AVOYELLES PARISH PORT COMMISSION
Simmesport, Louisiana

**Reconciliation of Statement of Revenues, Expenditures, and
Changes in Fund Balance to the Statement of Activities
For the Eighteen Months Ended June 30, 2012**

Total net changes in fund balance at June 30, 2012, per the Statement of Revenues, Expenditures and Changes in Fund Balance	\$77,585
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The change in net assets reported for governmental activities in the
statement of activities is different because

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those
assets is allocated over their estimated useful lives and
reported as depreciation expense.

Capital outlay which is considered expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balances	\$16,424
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Depreciation expense for the eighteen months ended June 30, 2012	<u>(696,626)</u>	(680,202)
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Donations of capital assets are not reported in governmental
funds; however, in the statement of activities, they are
reported as general revenues.

19,206,601

Governmental funds report debt repayments as
expenditures. However, this expenditure does not
appear in the Statement of Activities since the payment
is applied against the debt payable on the Statement
of Net Assets.

Principal bond payment	<u>30,000</u>
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Total changes in net position at June 30, 2012 per Statement of Activities	<u><u>\$18,633,984</u></u>
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The notes to financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

AVOYELLES PARISH PORT COMMISSION
Simmesport, Louisiana

Balance Sheet
Governmental Fund Type – Special Revenue Fund
June 30, 2012

	<u>June 30, 2012</u>
ASSETS	
Cash	<u>\$127,308</u>
Total Assets	<u><u>\$127,308</u></u>
 LIABILITIES AND FUND EQUITY	
Liabilities:	
Accounts payable	<u>\$0</u>
Fund Equity:	
Fund balance, restricted	<u>127,308</u>
	<u>127,308</u>
Total Liabilities and Fund Equity	<u><u>\$127,308</u></u>

The notes to financial statements are an integral part of this statement.

AVOYELLES PARISH PORT COMMISSION
Simmesport, Louisiana

**Statement of Revenues, Expenditures, and
Changes in Fund Balance – Budget (GAAP Basis) and Actual
Governmental Fund Type – Special Revenue Fund
For the Eighteen Months Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Intergovernmental revenues			
State of Louisiana	\$25,000	\$26,874	\$1,874
Red River Waterway Commission	40,000	40,000	0
Rental income	200,000	200,001	1
Interest income	500	212	(288)
Miscellaneous	200	894	694
Total revenues	<u>265,700</u>	<u>267,981</u>	<u>2,281</u>
EXPENDITURES			
General government			
Insurance	15,000	12,371	2,629
Contract services/consultants	30,000	32,414	(2,414)
Operating services	10,000	11,620	(1,620)
Facilities maintenance	70,000	65,094	4,906
Debt service:			
Principal	30,000	30,000	0
Interest	20,000	21,250	(1,250)
Capital outlay	20,000	17,647	2,353
Total expenditures	<u>195,000</u>	<u>190,396</u>	<u>4,604</u>
Excess (deficiency) of revenues over expenditures	<u>\$70,700</u>	77,585	<u>\$6,885</u>
Fund balance, beginning		<u>177,137</u>	
Fund balance, ending		<u>\$254,722</u>	

The notes to financial statements are an integral part of this statement.

AVOYELLES PARISH PORT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE EIGHTEEN MONTHS ENDED JUNE 30, 2012

INTRODUCTION

The Avoyelles Parish Port Commission (Port Commission) was created by the provisions of Louisiana Revised Statute (LRS) 34:1801. The statute provides for the Port Commission to be composed of seven members who shall serve without compensation. Four commissioners are to be appointed by the Avoyelles Parish Police Jury, two are to be appointed by the Town of Simmesport, and the final commissioner is to be elected by the appointed commissioners. The commissioners serve terms from two to six years. The Port Commission has the authority to regulate commerce and traffic, to administer docks and landings, and to construct or acquire equipment, wharves, and buildings for the commerce of the port area within Avoyelles Parish.

The Avoyelles Parish Port at Simmesport, LA is an inland port located on the Atchafalaya River, an 18 foot draft river in central Louisiana. The Port's Master Plan outlines a multi-purpose, four phase development on 2,200 acres of land, including a 200 acre industrial park, port dock, and recreational area and boat launch.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

A. REPORTING ENTITY

The Avoyelles Port Commission is a component unit of the Avoyelles Parish Police Jury, the financial reporting entity. The police jury is financially accountable for the Port Commission because it appoints a voting majority of the Commission and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the Port Commission and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS

The government wide fund financial statements report the information on all of the non-fiduciary activities of the Avoyelles Parish Port Commission. Governmental activities are normally supported by rentals, fees and assessments which are reported separately from the business-type activities, which relay to a significant extent on fees and user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include rentals, fees and assessments authorized for collection by the Port Commission.

AVOYELLES PARISH PORT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE EIGHTEEN MONTHS ENDED JUNE 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS (continued)

The government wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

C. FUND ACCOUNTING

The accounts of the Port Commission are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund or account group are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are to be controlled.

GOVERNMENTAL FUND

Governmental funds account for all or most of the Avoyelles Parish Port Commission's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term obligations. Governmental funds include:

Special Revenue Fund

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes

AVOYELLES PARISH PORT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS AS OF AND FOR THE EIGHTEEN MONTHS ENDED JUNE 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (continued)

D. BUDGETARY PRACTICES

In accordance with Louisiana Revised Statute 39:1303, the Port Commission is required to adopt an annual budget, but is not subject to the public participation laws as the proposed expenditures are less than \$500,000. All annual appropriations lapse at year end. Encumbrance accounting is not utilized.

E. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Port Commission may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Port Commission may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

F. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Donated assets are valued at the fair market value at the time of the donation. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Machinery and equipment	5-7 years
Land Improvements	10-15 years
Buildings	25 years

AVOYELLES PARISH PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE EIGHTEEN MONTHS ENDED JUNE 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

G. COMPENSATED ABSENCES

The Port Commission has no employees; all services are performed by volunteers or are contracted out to independent contractors. Therefore, the Port Commission has no policy relating to compensated absences.

H. LONG-TERM OBLIGATIONS

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

I. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

J. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as net assets and displayed in two components:

Investment in capital assets – consists of capital assets including restricted assets, net of accumulated depreciation

Restricted net assets - consists of net assets restricted for port commission activities.

AVOYELLES PARISH PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE EIGHTEEN MONTHS ENDED JUNE 30, 2012

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES, CONTINUED

K. GOVERNMENTAL FUND BALANCES

On January 1, 2011, the Port Commission adopted the provisions of GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which significantly changed the reporting of fund balance in the balance sheets of governmental fund types. In the governmental fund financial statements, fund balances are classified as follows:

Non-spendable fund balance – amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted fund balances – amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors, creditors, or citizens.

Committed fund balance – amounts that can be used only for specific purposes determined by a formal action by the commissioners of the Avoyelles Parish Port Commission.

Assigned fund balance – amounts that are constrained by the Port Commission's intent that they will be used for specific purpose.

Unassigned fund balance - all other amounts not included in the other spendable classifications.

NOTE 2. CASH AND CASH EQUIVALENTS

At June 30, 2012, the Port Commission has cash and cash equivalents (book balances) as follows:

Demand Deposits	<u>\$ 127,308</u>
Total	<u>\$ 127,308</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balance) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2012, the Port Commission has \$128,553 (collected bank balances). These deposits are secured from risk by \$128,553 of federal deposit insurance.

AVOYELLES PARISH PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE EIGHTEEN MONTHS ENDED JUNE 30, 2012

NOTE 3. LONG-TERM NOTES PAYABLE

Cottonport Bank Certificate of Indebtedness Series 2009

By resolution of the Commission, the Avoyelles Parish Port Commission authorized the incurrence of indebtedness in the principal amount of \$300,000 on December 30, 2009, for the purpose of providing the Port Commission's share of the costs of constructing the Avoyelles Parish Port Commission Liquid Fertilizer Unloading Facility. The Port Commission entered into a security agreement with the Cottonport Bank to borrow \$300,000 at an interest rate of 4.25% payable over ten years.

At June 30, 2012, the Port Commission had an outstanding principal balance of \$240,000 to Cottonport Bank. Future debt service requirements are as follows:

Year Ended June 30,	Principal	Interest	Totals
2013	30,000	9,564	39,564
2014	30,000	8,290	38,290
2015	30,000	7,014	37,014
2106	30,000	5,753	35,753
2017	30,000	4,464	34,464
2018 - 2020	90,000	5,743	95,743
Totals	\$240,000	\$40,828	\$280,828

Lanier & Associates Consulting Engineers, Inc

During the 2005 year, the Port Commission entered into a contract with Lanier & Associates Consulting Engineers Inc (Lanier) for services for the engineering, design and administrative services with respect to the Liquid Fertilizer Terminal at the Port. Upon completion of these services, the following payment terms were agreed to:

The sum of \$65,000, to be paid over a 5-year term, at the rate of \$13,000 per year, with each installment due on May 1st of each year, the first payment commencing on May 1, 2012. The total sum due under this agreement is non-interest bearing so long as all installments are paid timely. Should any installment be delinquent in excess of 60 days, Lanier has the option to demand the entire balance be due with an interest rate of 8% from the date of default until paid.

AVOYELLES PARISH PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE EIGHTEEN MONTHS ENDED JUNE 30, 2012

NOTE 3. LONG-TERM NOTES PAYABLE (continued)

At June 30, 2012, the Port Commission had an outstanding principal balance of \$52,000 to Lanier. Future debt service requirements are as follows

Year Ended June 30,	Principal	Interest	Totals
2013	13,000	0	13,000
2014	13,000	0	13,000
2015	13,000	0	13,000
2106	<u>13,000</u>	<u>0</u>	<u>13,000</u>
Totals	<u><u>\$52,000</u></u>	<u><u>\$0</u></u>	<u><u>\$52,000</u></u>

A summary of changes in long-term debt for the year ended June 30, 2012:

Description	Balance 12/31/10	Additions	Payments	Balance 06/30/12
N/P - Cottonport Bank	\$270,000	\$0	\$30,000	\$240,000
Lanier & Associates	<u>65,000</u>	<u>0</u>	<u>13,000</u>	<u>52,000</u>
Totals	<u><u>\$335,000</u></u>	<u><u>\$0</u></u>	<u><u>\$43,000</u></u>	<u><u>\$292,000</u></u>

AVOYELLES PARISH PORT COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

AS OF AND FOR THE EIGHTEEN MONTHS ENDED JUNE 30, 2012

NOTE 4. CAPITAL ASSETS

A summary of changes in general fixed assets for the eighteen months ended June 30, 2012 is as follows:

	Balance 12/31/2010	Additions	Deletions	Balance 6/30/2012
Capital assets not being depreciated:				
Land	\$132,000	\$1,408,101	\$0	\$1,540,101
Capital assets being depreciated:				
Buildings	2,952,138	790,000	0	3,742,138
Land Improvements	562,770	0	0	562,770
Equipment	392,250	24,924	0	417,174
Infrastructure	0	17,000,000	0	17,000,000
Total Capital Assets	<u>4,039,158</u>	<u>19,223,025</u>	<u>0</u>	<u>23,262,183</u>
Less Accum Depr	<u>(118,321)</u>	<u>(\$696,626)</u>	<u>\$0</u>	<u>(814,947)</u>
Net Capital Assets	<u><u>\$3,920,837</u></u>			<u><u>\$22,447,236</u></u>

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	40 years
Machinery and equipment	7-15 years
Transportation equipment	5-15 years

NOTE 5. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The statutes which created the Port Commission, place certain limitations and restrictions on the collections and disbursements of the Fund. The Fund is in compliance with all significant limitations and restrictions for the eighteen months ended June 30, 2012.

AVOYELLES PARISH PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE EIGHTEEN MONTHS ENDED JUNE 30, 2012

NOTE 6. FUND BALANCES

Fund balances for the Port Commission consisted of the following as of June 30, 2012:

Restricted fund balance – The committed fund balance consists of funds which are restricted by Louisiana State Statute for the activities of the Port Commission

NOTE 7. AGREEMENTS

Brudd Construction Co LLC

On February 15, 2012, the Port Commission entered into a lease agreement with Brudd Construction LLC (Brudd) for Brudd to occupy and use property at the Port as a tenant, for a period of 10 years, beginning April 1, 2012 and ending on April 12, 2012, with options to renew, with cash rentals provided for as follows:

- a. \$465 per month payable on or before the 1st of each month, commencing April 1, 2012;
- b. \$2,250 per month for 10 years, payable on or before the 1st of each month of the rental period, with the first payment being due after the completion of a building constructed by the Avoyelles Parish Port Commission; and
- c. \$.13 per ton on any material off loaded at the port site during the term of the lease.

Helena Chemical

In 2009, the Port Commission entered into a lease agreement with Helena Chemical for the use of the Liquid Fertilizer Terminal at the Port. The lease term is for 10 years, with an option to renew. The annual rental rate is \$60,000 flat rate for the first 20,000 tons and then \$4 per ton over the first 20,000 tons of liquid fertilizer transported through the terminal.

Farmland

The Port Commission entered into a lease for the rental of the 639 acres of farmland at an annual rental rate of \$172.08 per plantable acre, or \$110,000.41. The rental term is for 3 years, beginning January 1, 2012, with the first payment due March 1, 2012, and then on January 1st of each subsequent year.

AVOYELLES PARISH PORT COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
AS OF AND FOR THE EIGHTEEN MONTHS ENDED JUNE 30, 2012

NOTE 8. SCHEDULE OF COMMISSIONERS

Commissioners	Title	Compensation
Samuel T Maddie	Chairman	\$0
Wayne Coco	Secretary	0
Edgar Desselle	Member	0
Dr Henry Moreau	Member	0
Walter Moreau	Member	0
Van Kojis	Member	0
Robert Thevis	Member	0

NOTE 9. LITIGATION AND CONTINGENCIES

At June 30, 2012, the Avoyelles Parish Port Commission was not involved in any litigation that would materially affect the financial statements.

NOTE 10. SUBSEQUENT EVENTS

Subsequent events were evaluation through October 19, 2012, which is the date the financial statements were available to be issued. On July 19, 2012, the Louisiana State Bond Commission approved the issuance of revenue bonds by the Avoyelles Parish Port Commission, not to exceed \$500,000, for the purpose of constructing and equipping of an approximately 15,225 square foot maintenance building located on Port Commission property on the Atchafalaya River in Simmesport, Louisiana.